GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2214
ANSWERED ON:11.12.2015
Hawala
Chandrappa Shri B.N.;Thomas Prof. Kuruppassery Varkey

Will the Minister of FINANCE be pleased to state:

(a) whether incidence of hawala and money laundering are on the rise in the country;
(b) if so, the details thereof and the number of such cases reported during the last three years and the current year, incident/bank-wise;
(c) whether the Government has taken any action against such individuals and banks involved therein, if so, the details thereof; and
(d) the steps taken by the Government to strengthen the financial intelligence in the country in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)
(a) to (c) : The number of cases registered by the Directorate of Enforcement under Foreign Exchange Management Act, 1999(FEMA) and Prevention of Money Laundering Act, 2002(PMLA) during the last three Financial Years and Current Year as follows :

Financial Year	Cases Registered under FEMA	Cases Registered under PMLA
2012-13	1722	221
2013-14	1041	209
2014-15	915	178
2015-16(As on 30.09.2015)	572	65

Show Cause Notices have been issued under FEMA in 728 Hawala cases during last three years and current year. CBI has also registered 06 cases in the related matters during the
last 3 years and current year. In 04 cases, charge-sheets have been filed in the court and 02 cases are under investigation. The details of these cases are given in the Annexure.
(d) : The Reserve Bank of India(RBI) vide circular letter dated October 28, 2015 has issued instructions to all scheduled commercial banks highlighting the irregularities observed. All banks were advised in the letter to look into these aspects and conduct a thorough Internal Audit and place the report before Audit Committee of the Board of respective banks and to forward the findings to RBI so that further corrective action as required may be taken in this regard. Government of India in 2005 has also set up Financial Intelligence Unit (FIU-IND). FIU-IND is responsible for receiving and disseminating suspicious transaction reports relating to money laundering and financing of terrorism from its reporting entities comprising financial institutions and Designated Non Financial Business and Professions e.g., Casinos and Registrars of Property.